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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/559,320	04/27/2000	Daniel J. McCabe	10449-003	1932

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EXAMINER

FELTEN, DANIEL S

ART UNIT	PAPER NUMBER
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3624

DATE MAILED: 05/07/2003

17

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.
09/559,320

Applicant(s)
McCable et al

Examiner
Daniel Felten

Art Unit
3624

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136 (a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on Feb 26, 2003.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1 and 4-24 is/are pending in the application.
- 4a) Of the above, claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1, 4-7, 10, and 15-24 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☒ Claims 8, 9, and 11-14 are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☐ All b) ☐ Some* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
*See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).
a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892) 4) ☐ Interview Summary (PTO-413) Paper No(s). _____
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948) 5) ☐ Notice of Informal Patent Application (PTO-152)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s). _____ 6) ☐ Other:

DETAILED ACTION

1
2 1. Receipt the amendment filed March 3, 2003 canceling claims 2 and 3, and amending
3 claims 1, 6, 10 and 15. Claims 1 and 4-24 are pending in the application and are presented to
4 be examined upon their merits.
5

Response to Arguments

6
7 2. Applicant's arguments with respect to claims 1 and 4-24 have been considered but are
8 moot in view of the new ground(s) of rejection.
9

Claim Rejections - 35 USC § 103

10
11 3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all
12 obviousness rejections set forth in this Office action:

13 (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth
14 in section 102 of this title, if the differences between the subject matter sought to be patented and the prior
15 art are such that the subject matter as a whole would have been obvious at the time the invention was
16 made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall
17 not be negated by the manner in which the invention was made.
18

19 4. Claims 1, 4, 6, 16 are rejected under 35 U.S.C. 103(a) as being unpatentable over Lau
20 et al, "Trading of NASDAQ Stocks on the Chicago Stock Exchange", The Journal of Financial
21 Research, Vol. XIX, No. 4, pages 579-584 (Winter 1996) (hereinafter "Lau") in view of
22 O'Shaughnessy (US 5,978,778).
23

1 In claims 1, 6 and 16 Lau discloses a method for facilitating an exchange in ownership
2 and a first financial instrument and/ or plurality of instruments (stock or stocks) representing
3 ownership interest in a first portfolio (see Lau Abstract, *Stocks traded only on the NASDAQ*),
4 the first portfolio comprising units of an integer number M (NASDAQ stock or stocks)
5 different securities selected from a second portfolio (see Lau Abstract, *NASDAQ stocks traded*
6 *on the Chicago Stock Exchange ("CSE")*), the second portfolio comprising units of a integer
7 number N (CSE/NASDAQ stocks) different securities, $N > M$, with the M different securities
8 being a subset of N different securities (see Lau Abstract and Introduction),

9 wherein the first financial instrument (*a Stock within the NASDAQ portfolio*), and a
10 second financial instrument representing an ownership interest in the second portfolio (*a Stock*
11 *within the NASDAQ/CSE portfolio*), are traded on a securities market (see Lau Abstract and
12 Introduction),

13 wherein all of the M different securities in the first portfolio are traded on a first
14 securities market, and none of the other N-M different securities are traded on the first
15 securities market (see Lau abstract and Introduction)

16 Lau discloses calculating the mean of each variable within the respective portfolios and
17 ranking the stocks within the portfolios, but does not disclose wherein the *weight* of each
18 security in the first portfolio is substantially similar to the securities corresponding weight in
19 the second portfolio, divided by the combined weight of the first portfolio within the second
20 portfolio. O' Shaughnessy discloses a method by which stocks are equally weighted within
21 their respective portfolios (see O'Shaughnessy, at least col. 2, ll. 35-52). Since Lau ranks each
22 of the securities within the respective portfolios and also calculates a mean of them (see Lau,
23 pages 581 and 582) it would have been obvious for an artisan at the time of the invention of

1 Lau to integrate a weighting factor, as disclosed by O'Shaughnessy, into one of the
2 calculations provided by of Lau because an artisan at the time of the invention would have
3 recognized that providing a distinction (by weight) between the securities as either an art
4 recognized equivalent to the ranking of securities provided by Lau or as constituting an
5 alternative means of providing distinctions between securities that would be well within the
6 ordinary skill in the art.

7 In claim 4, Lau discloses that the first and second instruments are both traded on the
8 same (Chicago Stock Exchange--CSE) Market (see Lau Abstract and Introduction).

9
10
11 5. Claims 5, 15 and 17-24 and rejected under 35 U.S.C. 103(a) as being unpatentable
12 over Lau et al, "Trading of NASDAQ Stocks on the Chicago Stock Exchange", The Journal
13 of Financial Research, Vol. XIX, No. 4, pages 579-584 (Winter 1996) (hereinafter "Lau") as
14 modified by O'Shaughnessy (US 5,978,778) as applied to claim 1 as discussed above, and in
15 further view of Ferstenberg et al (herein after "Ferstenberg", US 5,873,071). The teachings of
16 Lau as modified by O'Shaughnessy have been discussed above.

17 In claims 5 and 17-24, Lau as modified by O'Shaughnessy fail to teach the first and
18 second financial instruments are both traded on the American Stock Exchange (AMEX) or that
19 the index is Standard & Poor's 100 (S&P 500).

20 Ferstenberg teaches financial instruments (stocks and options) traded on a variety of
21 exchanges/indices (see Fernstenberg, col. 1, ll. 25+). It would have been obvious for an
22 artisan of ordinary skill at the time the invention was made to employ the teaching of
23 Ferstenberg by the substitution of anyone of the exchanges for the CSE disclosed by Lau

1 because the exchanges/indices are art recognized equivalents in as much as the exchanges
2 allow various securities to be traded on them. Thus an artisan of ordinary skill in the art
3 would have recognized the similarities between exchanges and have sought to use one of the
4 exchanges as an obvious extension to the teachings of Lau to create greater use of the
5 invention. Thus to substitute one exchange for the another would have been obvious.

6 In claim 15, Lau fails to disclose a step of receiving an first offer to sell and first
7 financial instrument; a step of receiving a second offer to buy the first financial instrument;
8 and matching first and second offers. Ferstenberg discloses a step of receiving an first offer to
9 sell and first financial instrument; a step of receiving a second offer to buy the first financial
10 instrument; and matching first and second offers (see col. 3, ll. 42+). Since Lau discloses an
11 invention for stock "trading", inherently buy and selling of securities, it would have been
12 obvious for an artisan of ordinary skill at the time of the invention to integrate the buying,
13 selling and matching of the trade aspect of Ferstenberg's invention because an artisan at the
14 time of the invention would recognize that these notoriously old and well known features
15 would be desirable for trading of securities over an exchange. Thus such a modification of
16 Lau by Ferstenberg would constitute an obvious expedient well within the ordinary skill of the
17 art.

18
19 6. Claim 10 is rejected under 35 U.S.C. 103(a) as being unpatentable over Lau in view of
20 O'Shaughnessy and In re Harza, 124 USPQ 378, 380; 274 F.2d 669 (CCPA).

21 In claim 10, Lau discloses all limitations presented in the claim with the exception of
22 disclosing a first *set* or portfolios and wherein the weight of each security in any one of the

1 first set of portfolios C_j is substantially similar to that security's corresponding weight in the
2 second portfolio, divided by the combined weight of C_j within the second portfolio.

3 The disclosure of a set of portfolios is not seen as patentable because it constitutes a
4 mere duplication of parts (see In re Harza), which have no unexpected results, than that
5 disclosed and practiced in a first portfolio presented in Lau's invention.

6 Furthermore Lau does not disclose wherein the *weight* of each security in any one of
7 the first portfolios is substantially similar to the securities corresponding weight in the second
8 portfolio, divided by the combined weight of the first portfolio within the second portfolio. O'
9 Shaughnessy discloses a method by which stocks are equally weighted within their respective
10 portfolios (see O'Shaughnessy, at least col. 2, ll. 35-52). As mentioned previously in regards
11 to claims 1 and 6, it would have been obvious for an artisan at the time of the invention of Lau
12 to integrate a weighting factor, as disclosed by O'Shaughnessy, into one of the calculations
13 provided by of Lau because providing a distinction (by weight) between the securities are art
14 recognized equivalents to the ranking of securities provided by Lau and constitute an
15 alternative means of providing distinctions between securities.

16
17
18 *Allowable Subject Matter*
19

20 7. Claims 8, 9, 11-14 are objected to as being dependent upon a rejected base claim, but
21 would be allowable if rewritten in independent form including all of the limitations of the base
22 claim and any intervening claims.

Conclusion

8. Any inquiry concerning this communication or earlier communications from the examiner should be directed to ***Daniel S. Felten*** whose telephone number is (703) 305-0724. The examiner can normally be reached between the hours of 7:00AM to 5:30PM Monday-Thursday. Any inquiry of a general nature relating to the status of this application or its proceedings should be directed to the Customer Service Office (703) 306-5631, or the examiner's supervisor ***Vincent Millin*** whose telephone number is (703) 308-1065.

9. Response to this action should be mailed to:

Commissioner of Patents and Trademarks

Washington, D.C. 20231

for formal communications intended for entry, or (703) 305-0040, for informal or draft communications, please label "Proposed" or "Draft".

Communications via Internet e-mail regarding this application, other than those under 35 U.S.C. 132 or which otherwise require a signature, may be used by the applicant and should be addressed to *[daniel.felten@uspto.gov]*.

All Internet e-mail communications will be made of record in the application file. PTO employees do not engage in Internet communications where there exists a possibility that sensitive information could be identified or exchanged unless the record includes a properly signed express waiver of the confidentiality requirements of 35 U.S.C. 122. This is more clearly

Serial Number: 09/559,320


Applicant(s): McCabe (705/36)

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Representative: Alapati (39,893)

1 set forth in the Interim Internet Usage Policy published in the Official Gazette of the Patent and
2 Trademark on February 25, 1997 at 1 195 OG 89.

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5
6 **DSF**
7 **April 23, 2003**


VINCENT MILLIN
SUPERVISORY PATENT EXAMINER
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